

## Closed Session from Special Meeting – July 10, 2006

At 3:05 p.m. the Board adjourned to joint closed session with the Asheboro City Council to discuss matters relating to the location or expansion of business in the area served by the Board and the Council, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Frye, Kemp, Davis, and Lanier were present. City Council members present were Linda Carter, Keith Crisco, Nancy Hunter, Archie Priest, Talmadge Baker, David Smith, Walker Moffitt and Mayor David Jarrell. Also present representing the City were City Manager John Ogburn; Holly Hartman, City Clerk; Debbie Juberg, Finance Officer; and City Attorney Jeff Sugg. Also present representing the County were Cheryl Ivey, Clerk to the Board; Interim County Manager Richard Wells; County Attorney Alan Pugh; Associate County Attorney Aimee Scotton; Finance Officer/Assistant County Manager Will Massie and David Townsend, III, County Public Works Director. Representing the Randolph County Economic Development Corporation (EDC) were Bonnie Renfro and Harry Lane.

Chairman Holmes called on Bonnie Renfro to make a presentation.

Bonnie Renfro, Executive Director of Randolph County Economic Development Corporation, said that the Malt-O-Meal Company (MOM) is a cereal producing company with existing plants in Minnesota and Utah. The Company is searching for a plant site to service the eastern region of the U.S. Potential sites are in Pennsylvania, West Virginia, Virginia, Tennessee, Kentucky, and North Carolina. The company has expressed great interest in the old Unilever food facility in Asheboro. The company's capital investment five years after start-up is projected at \$110 million (\$30 million—real property and \$80 million—personal property), with 164 new jobs at an hourly wage of \$15-\$15.35/hour. At ten years after start up the project capital investment would increase to \$120 million (\$30 million—real property and \$90 million—personal property), with total new jobs estimated at 300. Rail access is key to the project. They also hope to employ some of the people who lost their jobs from Unilever. The company has asked that the County, City, and Randolph County EDC offer an economic incentives package for their consideration.

City Manager John Ogburn said that the company has been working with City staff for about 6 months. The only foreseeable problem with the company locating in Asheboro is that by 2016, the City will exceed their wastewater capacity. The City would like some good faith commitment that the County will partner with them in expanding their wastewater treatment facilities, if, and when, the need arises.

The Commissioners said that because of the inability to bind a future board, coupled with the uncertainty of the situation given to distance in the future, the Board of Commissioners could make no official or enforceable promise to aid the City in this matter. Nevertheless, all members of this present board voiced their support for a joint arrangement should the need arise.

Ms. Renfro presented the following as a possible incentives package proposal:

<u>Proposed Incentive</u>	<u>Rail Spur Construction</u>	<u>Economic Grants</u>	
CDBG**	\$ 550,000		\$ 562,500
NC DOT Rail Access Grant	\$ 125,000		
State of NC		\$ 800,000	\$ 925,000
City of Asheboro	\$ 100,000	\$ 900,000	\$1,000,000
<b>Randolph County</b>	<b>\$ 100,000</b>	\$ 900,000	\$1,000,000
Norfolk Southern	\$ 125,000		\$ 125,000
	\$1,000,000	\$2,600,000	\$3,612,500

\*\*Amount of grant and match subject to change contingent on approval of Norfolk Southern & NC DOT grants.

**Initial 7-year revenues based on investment in first 5 years**

<b>City of Asheboro</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total</b>
2007	\$165,000	\$413,600	\$578,600
2008	\$165,000	\$404,800	\$569,800
2009	\$165,000	\$387,200	\$552,200
2010	\$165,000	\$365,200	\$530,200
2011	\$165,000	\$338,800	\$503,800
2012	\$165,000	\$316,800	\$481,800
2013	<u>\$165,000</u>	<u>\$286,000</u>	<u>\$451,000</u>
	\$1,155,000	\$2,512,400	\$3,667,400

<b>Randolph County</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total</b>
2007	\$160,500	\$402,320	\$562,820
2008	\$160,500	\$393,760	\$554,260
2009	\$160,500	\$376,640	\$537,140
2010	\$160,500	\$355,240	\$515,740
2011	\$160,500	\$329,560	\$490,060
2012	\$160,500	\$308,160	\$468,660
2013	<u>\$160,500</u>	<u>\$278,200</u>	<u>\$438,700</u>
	\$1,123,500	\$2,443,880	\$3,567,380

Both boards discussed the proposal and agreed that the project was an excellent match for Asheboro and directed Ms. Renfro to offer the proposed incentives plan, as presented, to the company. However, both boards indicated willingness to consider different terms, if necessary, and authorized Ms. Renfro to continue negotiations with the company, reporting back to the County and City Managers with final details.

*At 3:50 p.m., on motion of Frye, seconded by Davis, the County Commissioners voted unanimously to return to regular session.*

The City also voted to return to regular session.

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J. Harold Holmes, Chairman

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Arnold Lanier

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Phil Kemp

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Robert B. Davis

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Darrell L. Frye

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Cheryl Ivey, Clerk to the Board